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Friday, September 02, 2005

FDIC San Francisco Regional Office  
Director John F. Carter  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

Dear Director Carter:

We would like to thank you for taking the time to review our concerns regarding Wal-Mart and its attempt at joining the US Banking system. The following reasons highlight our objections to the approval of the Wal-Mart application:

- Mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. Imagine a Wal-Mart Bank disfavoring small businesses that compete with Wal-Mart and favoring Wal-Mart suppliers in credit decisions, or requiring Wal-Mart suppliers to bank with the Wal-Mart Bank.
- Wal-Mart has a history of de-stabilizing communities. With its vast resources, it could drive out community banks like ours as it has driven out community grocery stores, pharmacies, and hardware stores. Where would that leave our communities?
- The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant, non-automotive sales in the U.S. With a branch of Wal-Mart Bank in every store, it would represent a dangerous and unprecedented concentration of economic power.

These are just a few reasons why Wal-Mart should not be approved. We look forward to serving our community each day, with Personalized Financial Solutions. Having a retailer such as Wal-Mart in the banking business will not only be disruptive to the banking system, but will in addition, cause the banking industry to become unstable and reduce the positive gains, which have been made to ensure that equal credit is afforded to all.

Thank you for your time and attention to this. We look forward to hearing that the Wal-Mart application has been declined.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "H. Bursum IV".

Holm O. Bursum IV  
VP and COO

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